

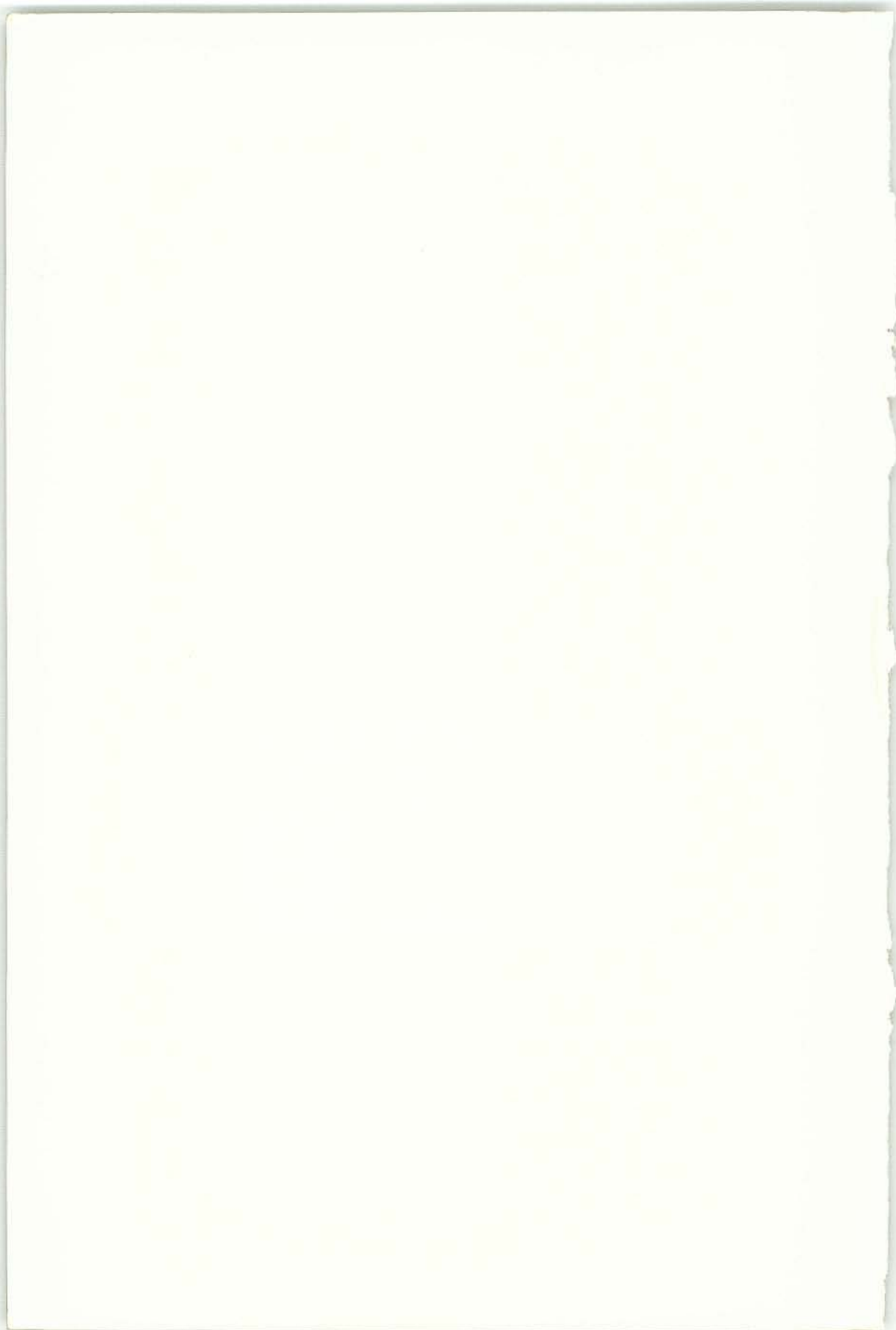
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The Coca-Cola Company

WILMINGTON, DELAWARE

1967

ANNUAL REPORT



THE COCA-COLA COMPANY AND SUBSIDIARIES

**ANNUAL
REPORT**

FOR THE YEAR 1967

LETTER TO STOCKHOLDERS

March 4, 1968

For the year 1967 net dollar sales exceeding \$1 billion reflected record highs in sales and earnings in domestic and foreign operations.

Consolidated net profit in 1967, after reserves, taxes and all other charges, was \$100,512,429 or \$3.52 per share compared with \$88,967,014 or \$3.12 per share in 1966.

During the year, Coca-Cola Europe, a new Division of The Coca-Cola Export Corporation, was formed, headquartered in London, England, with Mr. Charles W. Duncan, Jr., Chairman.

In addition, The Coca-Cola Company Foods Division was created by consolidating the operations of Minute Maid Company Division and Duncan Foods Co. Division. Mr. J. Lucian Smith was named President of the new Division.

On March 4, 1968, the Board of Directors declared the regular quarterly dividend of 52½¢ a share. At the same meeting the Directors approved proposals of management

1. To submit to the annual meeting of stockholders on May 6 a recommendation to split the stock two shares for one, and
2. Providing conditions at the time justify it, to consider at the Board meeting on May 7 an increase in the annual dividend rate, commencing with the second quarterly dividend in 1968, from \$2.10 a share to \$2.40 a share, or from \$1.05 to \$1.20 per annum on shares following the two-for-one split.

The consolidated balance sheet and statements of profit and loss and earned surplus appear in this report.

A separate mailing will contain a proxy form and notice of annual meeting of stockholders at 10:00 a.m., Wilmington time, on Monday, May 6, 1968, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

In sorrow and with deep regret we record in this Letter to Stockholders the death of Mr. Harrison Jones on June 18, 1967. Associated in an official capacity with the Company since 1920, Mr. Jones was first elected to the Board in 1940 and became Chairman in 1942, a post which he held until retirement in 1952.

For the Board of Directors


Chairman


President

**Marks of
Refreshment
Around the World**



A Refreshing Story Told in 136 countries and 73



Overseas Trademarks

ኮኮኮላ
Coca-Cola in Amharic

ፋንታ
Fanta in Amharic

ስፕራይት
Sprite in Amharic

كوكاكولا
Coca-Cola in Arabic

কোকা কোলা
Coca-Cola in Bengali
ফ্যান্টা
Fanta in Bengali

樂可口可
Coca-Cola in Chinese

達發
Fanta in Chinese

Кокка-Колла
Coca-Cola in Cyrillic

KOKA-KOLA
Coca-Cola in Greek

קוקה קולה
Coca-Cola in Hebrew

코카-코-라
Coca-Cola in South Korean

コカ・コーラ
Coca-Cola in Japanese

ニー・ク
Coke in Japanese

ファンタ
Fanta in Japanese

スプライト
Sprite in Japanese

ld Around the World...

languages and dialects



โคคา-โคลา
Coca-Cola in Thai

แฟนต้า
Fanta in Thai

สไปรท์
Sprite in Thai

Kola Kola
Coca-Cola in Turkish

Placed on the map of the world above, and without regard to actual distribution, is a representative group chosen from the several hundred fine products produced and marketed by The Coca-Cola Company, its subsidiaries and the Bottlers of Coca-Cola.

One or more of these products is presently marketed throughout 136 countries of the world.

The carbonated beverage group alone accounts for more than 110,000,000 drinks each day.

The Coca-Cola Company

THE COCA-COLA COMPANY AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 1967 AND 1966

Consolidated Statement of Profit and Loss

	<u>1967</u>	<u>1966</u>
Net sales.	\$1,043,067,158	\$979,234,393
Cost of goods sold.	<u>519,893,032</u>	<u>497,326,071</u>
GROSS PROFIT.	\$ 523,174,126	\$481,908,322
Selling, administrative and general expenses	<u>321,145,536</u>	<u>296,927,278</u>
OPERATING PROFIT.	\$ 202,028,590	\$184,981,044
Other income.	<u>13,532,931</u>	<u>9,975,392</u>
	\$ 215,561,521	\$194,956,436
Less other deductions.	<u>17,912,092</u>	<u>17,315,422</u>
PROFIT BEFORE TAXES ON INCOME	\$ 197,649,429	\$177,641,014
Provision for taxes on income.	<u>97,137,000</u>	<u>88,674,000</u>
NET PROFIT.	<u>\$ 100,512,429</u>	<u>\$ 88,967,014</u>

Consolidated Statement of Earned Surplus

	<u>1967</u>	<u>1966</u>
Balance at January 1.	\$ 337,153,927	\$302,371,229
Net profit for the year.	<u>100,512,429</u>	<u>88,967,014</u>
	\$ 437,666,356	\$391,338,243
Dividends paid in cash (per share— 1967, \$2.10; 1966, \$1.90).	<u>59,984,562</u>	<u>54,184,316</u>
BALANCE AT DECEMBER 31.	<u>\$ 377,681,794</u>	<u>\$337,153,927</u>

See Notes to Financial Statements

CONSOLIDATED

THE COCA-COLA COMPANY AND SUBSID

Assets

CURRENT:

	<u>1967</u>	<u>1966</u>
Cash.	\$ 66,297,024	\$ 54,226,695
U.S. Government and other marketable securities—at cost (market price— 1967, \$93,518,977; 1966, \$117,398,041) . .	94,364,989	117,749,155
Trade accounts receivable (less allowance— 1967, \$1,308,276; 1966, \$1,244,834).	74,113,068	69,441,891
Inventories.	113,252,494	101,652,926
Prepaid expenses.	11,513,038	8,648,458
TOTAL CURRENT ASSETS.	<u>\$359,540,613</u>	<u>\$351,719,125</u>

MISCELLANEOUS INVESTMENTS AND

OTHER ASSETS.	<u>\$ 23,268,364</u>	<u>\$ 24,664,506</u>
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PROPERTY, PLANT AND EQUIPMENT:

At cost:

Land and improvements.	\$ 41,816,723	\$ 38,643,221
Buildings.	119,501,657	98,703,678
Machinery and equipment.	260,170,317	221,877,517
Containers.	48,633,583	40,615,125
	\$470,122,280	\$399,839,541
Less allowance for depreciation.	180,685,469	157,081,448
	<u>\$289,436,811</u>	<u>\$242,758,093</u>

FORMULAE, TRADE-MARKS

AND GOODWILL—at cost.	<u>\$ 45,362,431</u>	<u>\$ 45,607,055</u>
	<u>\$717,608,219</u>	<u>\$664,748,779</u>

BALANCE SHEET

LIABILITIES—DECEMBER 31, 1967 AND 1966

Liabilities

CURRENT:

	<u>1967</u>	<u>1966</u>
Notes payable.....	\$ 7,062,144	\$ 14,254,292
Current maturities of long-term debt.	1,388,499	586,613
Accounts payable and accrued accounts. .	94,355,852	84,244,662
Accrued taxes—including taxes on income	<u>62,905,014</u>	<u>67,630,718</u>
TOTAL CURRENT LIABILITIES.....	<u>\$165,711,509</u>	<u>\$166,716,285</u>
LONG-TERM DEBT.....	<u>\$ 10,078,247</u>	<u>\$ 6,107,666</u>

RESERVE FOR UNREMITTED

FOREIGN PROFITS.....	<u>\$ 95,257,773</u>	<u>\$ 88,882,799</u>
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CAPITAL STOCK AND SURPLUS:

Common stock—no par value; authorized 35,000,000 shares;(issued 1967, 28,681,974 shares; 1966, 28,638,966 shares).....	\$ 57,706,148	\$ 57,619,849
Capital surplus.....	15,861,757	14,094,444
Earned surplus.....	<u>377,681,794</u>	<u>337,153,927</u>
	\$451,249,699	\$408,868,220
Less shares of stock held in treasury—at cost (1967, 89,226 shares; 1966, 114,362 shares)	<u>4,689,009</u>	<u>5,826,191</u>
	<u>\$446,560,690</u>	<u>\$403,042,029</u>
	<u>\$717,608,219</u>	<u>\$664,748,779</u>

NOTES TO 1967 FINANCIAL STATEMENTS

1. Foreign Operations. The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: Current assets \$115,889,197 (including cash and securities totaling \$54,963,743); property, plant and equipment at depreciated cost, \$98,362,313; other assets, \$10,502,978; and liabilities \$84,730,608. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1967.

It is the established policy of the Company to include in consolidated net profit the entire net profit of the Canadian subsidiaries, but to include the net profit of other foreign subsidiaries only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account includes a provision for unremitted foreign profits in the amount of \$6,374,974, representing foreign profits earned but not remitted in 1967.

2. Inventories are stated at the lower of cost (principally average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.

3. Long-Term Debt (exclusive of current maturities).

Mortgages, principally on grove properties at 5½%, payable in installments through 1982.	\$ 2,435,080
Sinking Fund Debentures 5%, payable in installments through January 1974.	1,500,000
Subordinated Debentures 5%, payable in installments through January 1976.	2,000,000
Unsecured notes of various foreign affiliates payable in annual installments principally through 1975 (average interest rate 5.6%).	<u>4,143,167</u>
	<u>\$10,078,247</u>

4. Stock Options. Options are held by officers and employees of the Company and its subsidiaries to purchase shares of the Company's common stock at prices ranging principally from \$19.6979 to \$118.75 per share. Further information relating to the outstanding options is as follows: Options outstanding at January 1, 1967, 360,674 shares; options granted during the year, 18,328 shares; options exercised during the year, 64,209 shares; options cancelled during the year through death, retirement or resignation, 5,628 shares; options outstanding at December 31, 1967, 309,165 shares; options exercisable at December 31, 1967, 96,654 shares; shares available for options which may be granted, 167,548.

5. Pension Plans. The Company and its subsidiaries have various pension plans covering substantially all employees, including certain employees in foreign countries. The total pension expense for the year was \$5,174,930 determined under various actuarial cost methods, principally aggregate level cost method. In general, pension costs are funded when accrued.

6. Depreciation. Provision for depreciation in the amount of \$34,848,054 was charged to manufacturing and other expenses.

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
WILMINGTON, DELAWARE

We have examined the consolidated financial statements of The Coca-Cola Company and subsidiaries as of December 31, 1967. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1967, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst

Atlanta, Georgia
February 28, 1968

BOARD OF DIRECTORS

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President, Asa G. Candler, Inc.

Thomas H. Choate, New York, N.Y.

General Partner, White, Weld & Co.

William A. Coolidge, Cambridge, Mass.

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Lindsey Hopkins, Miami, Fla.

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Hughes Spalding, Atlanta, Ga.

Attorney, member of firm of King & Spalding

Lee Talley, Atlanta, Ga.

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Chairman, Boards of Directors, Columbus Bank & Trust Co. and W. C. Bradley Co.

George W. Woodruff, Atlanta, Ga.

Director of Various Corporations

R. W. Woodruff, Atlanta, Ga.

Chairman, Finance Committee, The Coca-Cola Company

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Ovid R. Davis	George M. Lawson
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Fred W. Dickson	D. A. Leslie
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Charles W. Duncan, Jr.	John H. Ogden
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Samuel N. Gardner	C. A. Shillinglaw
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Ralph H. Garrard	J. Lucian Smith
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T. H. Gibson	John C. Staton
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Roberto C. Goizueta	Walter L. Susong
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J. W. Jones..... *Secretary*

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L. W. McBride
Matt S. Miller

Almond Power
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John St. John
Harold D. Wakefield

TENCO, Linden, New Jersey

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Dudley A. Tremble..... *Executive Vice President*

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John M. Miller

George W. Peabody
Edward D. Reeves
Philip Sacher

William R. Saltmer

COCA-COLA LTD., Toronto, Ontario, Canada

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L. M. Hunter

G. J. Leonidas

VICE PRESIDENTS

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G. D. Millson

G. Pelletier
W. F. Sherer

A. B. Ballentine..... *Vice President and Secretary*
C. W. I. Jackson..... *Vice President and Treasurer*

PRINCIPAL SUBSIDIARIES

THE COCA-COLA EXPORT CORPORATION, New York, N.Y.

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John R. Talley, New York. *President*
Charles W. Duncan, Jr., London. *Executive Vice President*

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Max Keith, Essen	H. B. Nicholson, Jr., London

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A. E. Killeen, Johannesburg	A. S. Williams, London

K. B. Graf, New York. *Vice President and General Counsel*
R. C. Munsche, New York. *Vice President and Treasurer*
H. F. MacMillan, New York. *Secretary*
J. J. McGourty, New York. *Controller*

TRANSFER AGENTS

Wilmington Trust Company
Wilmington, Delaware

Morgan Guaranty Trust Company of New York
New York, New York

Trust Company of Georgia
Atlanta, Georgia

REGISTRARS

Bank of Delaware
Wilmington, Delaware

The Chase Manhattan Bank, N.A.
New York, New York

The First National Bank of Atlanta
Atlanta, Georgia

DIVIDEND DISBURSING AGENT

Wilmington Trust Company
Wilmington, Delaware

